

City of Willoughby Hills

Interoffice Memo

Date: July 17, 2020

To: Council President Christopher Hallum and Members of City Council

From: Frank Brichacek, Director of Finance *FJB*

Subject: 2020 Operating Budget Revisions:
1. Creation of the Coronavirus Relief Special Revenue Fund
2. Appropriation of Coronavirus Relief Grant/CARES Act Funds

Lake County was awarded approximately \$13.4 million in Coronavirus Relief Grant/CARES Act funding. On May 28, 2020 City Council authorized the Mayor to apply to participate in the Lake County Coronavirus Relief Distribution program which the City subsequently applied for. On June 29, 2020 the City received \$532,321.51 from the County, approximately 3.99% of the County's award. The County used the Local Government Fund distribution formula to allocate the grant funding to the County's local governments. As this grant was not awarded at the time the 2020 Operating Budget was prepared and adopted, it was not included in the budget.

The Coronavirus Relief Grant (CRF) is funding awarded to the State of Ohio as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The Ohio Office of Budget and Management is responsible for the overall administration of the State's grant. Under the terms of the grant, the U.S. Department of the Treasury has determined that the grant funds may only be used for expenses incurred between March 1, 2020 and December 30, 2020. Any unused funds must be returned to the state treasury not later than December 28, 2020. CARES Act money may only be used to finance expenses that meet the following criteria:

1. The expense must be necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and
2. The expense was not accounted for the budget most recently approved as of March 27, 2020 (the date of the enactment of the CARES Act); and
3. The expense must have been incurred during the period of time beginning March 1, 2020 and ending December 30, 2020.

The basic eligibility requirement to use this grant is that the expense "is a cost either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation with that budget (recently approved as of March 27, 2020) OR (b) the cost is for a substantially different use from any expected use of the funds in such line item, allotment or allocation". Permitted expenses include medical expenses, equipment, economic support, public health related measures and personnel expenses for public safety, public health, health care, human services and similar employees who are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. The requirements specifically exclude using the funds for revenue replacement or foregone revenue. To provide for this grant, the following actions must be undertaken by City Council:

1. A special revenue fund must be created by the City to account for grant revenues and expenditures. Since the fund being created will be accounting for a new federal program with a restricted purpose, the City has the authority under ORC Section 5709.09 to create the fund without first obtaining approval from the Auditor of State.
2. The grant funds must be appropriated for use by City Council.

To: Council President Christopher Hallum and Members of City Council
2020 Operating Budget Revision No. 1 – Coronavirus Relief Fund Establishment and Appropriation
July 17, 2020

I am requesting that both actions be taken by City Council at the July 23rd Council meeting. Because of the extremely limited time allowed by the terms of the grant to expend the money received, I am requesting that both actions be approved on first reading.

In addition to the requested \$532,400 appropriation change, I will also be requesting that the County Budget Commission increase the estimated resources of the newly established Coronavirus Relief Special Revenue Fund No. 204 from \$0 to \$532,400. The Mayor is currently working with the staff to develop a plan for the use of the grant funds.

If you have any questions regarding this appropriation change, do not hesitate to contact me. If you have any questions regarding how the grant funds are to be used, please contact Mayor/Safety Director Andy Gardner.

Attachment

C: Mayor Andy Gardner
Michael Lucas, Law Director
Jeff Stergar, Assistant Finance Director

Appropriations					
Fund/Activity			Proposed Appropriation	Increase/ (Decrease)	Revised Appropriation
110		GENERAL FUND			
110	110	General Fund - Administration			
		Personnel	\$409,100	\$0	\$409,100
		Benefits	89,400	0	89,400
		Operations & Maintenance	906,900	0	906,900
		Total	\$1,405,400	\$0	\$1,405,400
110	120	General Fund - Court			
		Personnel	\$63,000	\$0	\$63,000
		Benefits	22,400	0	22,400
		Operations & Maintenance	28,200	0	28,200
		Total	\$113,600	\$0	\$113,600
110	234	General Fund - Safety Forces			
		Transfer to Safety Forces SR Fund 234	4,254,700	\$0	\$4,254,700
		Total	\$4,254,700	\$0	\$4,254,700
110	350	General Fund - Service Department			
		Personnel	\$476,100	\$0	\$476,100
		Benefits	158,300	0	158,300
		Operations & Maintenance	298,900	0	\$298,900
		Transfer To SCMR SR Fund 250	0	0	0
		Transfer To Road Levy SR Fund 270	0	0	0
		Total	\$933,300	\$0	\$933,300
110	460	General Fund - Recreation			
		Transfer To Recreation SR Fund 280	\$48,600	\$0	\$48,600
		Total	\$48,600	\$0	\$48,600
110	465	General Fund - Community Center Operations			
		Personnel	\$49,100	\$0	\$49,100
		Benefits	8,100	0	8,100
		Operations & Maintenance	177,900	0	177,900
		Total	\$235,100	\$0	\$235,100
110	570	General Fund - Building Department			
		Personnel	\$29,300	\$0	\$29,300
		Benefits	11,500	0	11,500
		Operations & Maintenance	117,200	0	117,200
		Total	\$158,000	\$0	\$158,000
110		General Fund - Total			
		Personnel	\$1,026,600	\$0	\$1,026,600
		Benefits	289,700	0	289,700
		Operations & Maintenance	1,529,100	0	1,529,100
		Transfer to Other Funds	4,303,300	0	4,303,300
		TOTAL - GENERAL FUND	\$7,148,700	\$0	\$7,148,700

200		SPECIAL REVENUE FUNDS			
202		FEMA Grants Fund			
		Operations & Maintenance	\$146,700	\$0	\$146,700
		Total	\$146,700	\$0	\$146,700
203		Law Enforcement Grants Fund			
		Personnel	\$60,300	\$0	\$60,300
		Benefits	13,300	0	13,300
		Operations & Maintenance	6,100	0	6,100
		Advance Repayment To Law Enforcement Trust Fund 800	0	0	0
		Total	\$79,700	\$0	\$79,700
204		Coronavirus Relief Grant Fund			
		Personnel	\$0	\$0	\$0
		Benefits	0	0	0
		Operations & Maintenance	0	532,400	532,400
		Total	\$0	\$532,400	\$532,400

Appropriations					
Fund/Activity			Proposed Appropriation	Increase/ (Decrease)	Revised Appropriation
210		Court Improvement Fund			
		Personnel	\$27,500	\$0	\$27,500
		Benefits	16,200	0	16,200
		Operations & Maintenance	5,700	0	5,700
Total			\$49,400	\$0	\$49,400
215		Veterans Memorial Fund			
		Operations & Maintenance	\$1,500	\$0	\$1,500
Total			\$1,500	\$0	\$1,500
218		Community Center Donation Fund			
		Operations & Maintenance	\$200	\$0	\$200
Total			\$200	\$0	\$200
220		Police Pension Fund			
		Benefits	\$82,300	\$0	\$82,300
		Operations & Maintenance	1,100	0	1,100
Total			\$83,400	\$0	\$83,400
234		Safety Forces Fund			
234	110	Administration			
		Operations & Maintenance	\$42,100	\$0	\$42,100
Total			\$42,100	\$0	\$42,100
234	230	Police Department			
		Personnel	\$2,126,400	\$0	\$2,126,400
		Benefits	714,400	0	714,400
		Operations & Maintenance	397,000	0	397,000
		Advance To Employee Termination SR Fund 296	0	0	0
Total			\$3,237,800	\$0	\$3,237,800
234	235	Dispatchers			
		Personnel	\$70,700	\$0	\$70,700
		Benefits	21,400	0	21,400
		Operations & Maintenance	384,600	0	384,600
		Transfer To Debt Service Fund 310	0	0	0
Total			\$476,700	\$0	\$476,700
234	240	Fire Department			
		Personnel	\$1,007,000	\$0	\$1,007,000
		Benefits	449,000	0	449,000
		Operations & Maintenance	274,000	0	274,000
		Transfer To Fire Levy SR Fund 240	0	0	0
		Transfer To Debt Service Fund 310	0	0	0
		Advance To Employee Termination SR Fund 296	0	0	0
Total			\$1,730,000	\$0	\$1,730,000
234		Safety Forces Special Revenue Fund - Total			
		Personnel	\$3,204,100	\$0	\$3,204,100
		Benefits	1,184,800	0	1,184,800
		Operations & Maintenance	1,097,700	0	1,097,700
		Transfer to Other Funds	0	0	0
TOTAL - Safety Forces Fund			\$5,486,600	\$0	\$5,486,600
240		Fire Levy			
		Personnel	\$595,500	\$0	\$595,500
		Benefits	125,900	0	125,900
		Operations & Maintenance	22,500	0	22,500
Total			\$743,900	\$0	\$743,900
250		Street Construction, Maintenance & Repair Fund			
		Personnel	\$0	\$0	\$0
		Benefits	0	0	0
		Operations & Maintenance	754,900	0	754,900
		Transfer To Pleasant Valley Bridge Maintenance Capital Fund 443	15,000	0	15,000
Total			\$769,900	\$0	\$769,900

Appropriations				
	Fund/Activity	Proposed Appropriation	Increase/ (Decrease)	Revised Appropriation
260	State Highway Fund			
	Operations & Maintenance	\$23,000	\$0	\$23,000
	Total	\$23,000	\$0	\$23,000
270	Road Levy Fund			
	Personnel	\$0	\$0	\$0
	Benefits	0	0	0
	Operations & Maintenance	1,141,200	0	1,141,200
	Transfer To Debt Service Fund 310	5,000	0	5,000
	Total	\$1,146,200	\$0	\$1,146,200
280	Recreation Operations Levy			
	Personnel	\$27,200	\$0	\$27,200
	Benefits	4,400	0	4,400
	Operations & Maintenance	46,500	0	46,500
	Transfer To Rec. Capital Project Fund 460	9,000	0	9,000
	Total	\$87,100	\$0	\$87,100
285	Park Maintenance Fund			
	Personnel	\$16,300	\$0	\$16,300
	Benefits	4,000	0	4,000
	Operations & Maintenance	11,600	0	11,600
	Total	\$31,900	\$0	\$31,900
296	Employee Termination Fund			
	Personnel	\$41,000	\$0	\$41,000
	Benefits	600	0	600
	Operations & Maintenance	400	0	400
	Advance Repayment To Safety Forces SR Fund 234	0	0	0
	Total	\$42,000	\$0	\$42,000
297	W.H.I.S.P.E.R. Fund			
	Operations & Maintenance	26,000	\$0	\$26,000
	Total	\$26,000	\$0	\$26,000
298	Garfield Park Fund			
	Operations & Maintenance	5,400	\$0	\$5,400
	Total	\$5,400	\$0	\$5,400
200	Special Revenue Fund Group - Total			
	Personnel	\$3,971,900	\$0	\$3,971,900
	Benefits	1,431,500	0	1,431,500
	Operations & Maintenance	3,290,500	532,400	3,822,900
	Transfer to Other Funds	29,000	0	29,000
	TOTAL - SPECIAL REVENUE FUND GROUP	\$8,722,900	\$532,400	\$9,255,300

Appropriations				
	Fund/Activity	Proposed Appropriation	Increase/ (Decrease)	Revised Appropriation
300	DEBT SERVICE FUNDS			
310	Bond Retirement Fund			
	Operations & Maintenance	\$1,224,000	\$0	\$1,224,000
	Total	\$1,224,000	\$0	\$1,224,000
320	Special Assessment Bond Retirement Fund			
	Operations & Maintenance	\$0	\$0	\$0
	Total	\$0	\$0	\$0
300	Debt Service Fund Group - Total			
	Operations & Maintenance	\$1,224,000	\$0	\$1,224,000
	TOTAL - DEBT SERVICE FUND GROUP	\$1,224,000	\$0	\$1,224,000

400	CAPITAL PROJECT FUNDS			
420	Capital Improvement Fund			
	Operations & Maintenance	\$67,900	\$0	\$67,900
	Transfer To Road Levy SR Fund 270	0	0	0
	Transfer To Debt Service Fund 310	0	0	0
	Total	\$67,900	\$0	\$67,900
423	Classic TIF Fund			
	Operations & Maintenance	\$0	\$0	\$0
	Transfer To Debt Service Fund 310	0	0	0
	Total	\$0	\$0	\$0
443	Pleasant Valley Rd. Bridge Maintenance Fund			
	Operations & Maintenance	\$97,900	\$0	\$97,900
	Total	\$97,900	\$0	\$97,900
444	Fire Dept. Equipment Capital Project Fund			
	Operations & Maintenance	\$82,600	\$0	\$82,600
	Transfer To Debt Service Fund 310	0	0	0
	Total	\$82,600	\$0	\$82,600
460	Recreation Capital Project Fund			
	Operations & Maintenance	\$77,000	\$0	\$77,000
	Total	\$77,000	\$0	\$77,000
400	Capital Project Fund Group - Total			
	Operations & Maintenance	\$325,400	\$0	\$325,400
	Transfers to Other Funds	0	0	0
	TOTAL - CAPITAL PROJECT FUND GROUP	\$325,400	\$0	\$325,400

600	ENTERPRISE FUNDS			
610	Sewer Service Fund -			
	Personnel	\$127,000	\$0	\$127,000
	Benefits	45,800	0	45,800
	Operations & Maintenance	1,569,300	0	1,569,300
	Transfer to Debt Service Fund 310	355,500	0	355,500
	Total	\$2,097,600	\$0	\$2,097,600
600	Enterprise Fund Group - Total			
	Personnel	\$127,000	\$0	\$127,000
	Benefits	45,800	0	45,800
	Operations & Maintenance	1,569,300	0	1,569,300
	Transfer to Other Funds	355,500	0	355,500
	TOTAL - ENTERPRISE FUND GROUP	\$2,097,600	\$0	\$2,097,600

Appropriations				
Fund/Activity		Proposed Appropriation	Increase/ (Decrease)	Revised Appropriation
800	TRUST & AGENCY FUNDS			
800	DEA Fund			
	Personnel	\$0	\$0	\$0
	Benefits	0	0	0
	Operations & Maintenance	5,000	0	5,000
	Transfer to Law Enforcement Fund 203	0	0	0
	Advance To Law Enforcement Grants Fund 203	0	0	0
	Total	\$5,000	\$0	\$5,000
802	Law Enforcement Trust Fund			
	Personnel	\$0	\$0	\$0
	Benefits	0	0	0
	Operations & Maintenance	49,500	0	49,500
	Total	\$49,500	\$0	\$49,500
805	Unclaimed Moneys Trust Fund			
	Operations & Maintenance	\$40,000	\$0	\$40,000
	Total	\$40,000	\$0	\$40,000
809	Petty Cash Trust Fund			
	Operations & Maintenance	\$700	\$0	\$700
	Total	\$700	\$0	\$700
819	Zoning Escrow Agency Fund			
	Operations & Maintenance	\$5,300	\$0	\$5,300
	Total	\$5,300	\$0	\$5,300
821	Construction Bond Trust Fund			
	Operations & Maintenance	\$100,100	\$0	\$100,100
	Total	\$100,100	\$0	\$100,100
823	Engineering & Inspection Trust Fund			
	Operations & Maintenance	\$118,500	\$0	\$118,500
	Total	\$118,500	\$0	\$118,500
800	Trust & Agency Fund Group - Total			
	Personnel	\$0	\$0	\$0
	Benefits	0	0	0
	Operations & Maintenance	319,100	0	319,100
	Transfer to Other Funds	0	0	0
	TOTAL - TRUST & AGENCY FUND GROUP	\$319,100	\$0	\$319,100
TOTAL - ALL FUNDS				
	Personnel	\$5,125,500	\$0	\$5,125,500
	Benefits	1,767,000	0	1,767,000
	Operations & Maintenance	8,257,400	532,400	8,789,800
	Transfer to Other Funds	4,687,800	0	4,687,800
	TOTAL - ALL FUND GROUPS	\$19,837,700	\$532,400	\$20,370,100